POLICY ON MINIMUM CLERGY COMPENSATION

January 1, 2013

Approved by Commission on Ministry, March 26, 2010
Approved by Diocesan Council, April 15, 2010

BACKGROUND:
“Compensation” is defined as the Pension Base for clergy serving in any position within the Diocese of Alabama and is the same amount as reported to the Church Pension Fund for the calculation of pension assessments. It does not include “benefits” (pension premiums, medical premiums) nor “church or business expenses” (continuing education, travel reimbursement, etc.) Neither is it necessarily the same figure as reported in Box 1 on the W-2.

Compensation for this purpose includes salary, utilities/housing allowance, social security payments and contributions to tax-deferred plans. If a rectory is provided, the rectory is deemed for this purpose to be worth 30% of the total annual compensation.

At the beginning of 1998, the compensation minimum without rectory was revised to $40,690 as the minimum for all newly ordained clergy and for all full-time clergy in any parish, regardless of membership size or budget. In January 2004, the compensation minimum without rectory was revised to $44,000 with an understanding that the minimum compensation would be evaluated and adjusted by the Commission on Ministry every three years. In the spring of 2006 and 2010 the Commission on Ministry has initiated an evaluation of minimum compensation for full-time clergy serving in the Diocese of Alabama. The following was amended in the spring of 2010:

General Policy to be effective January 1, 2011:

Minimum Compensation/Pension Base for all full-time clergy (without rectory) serving as rectors, associate rectors, newly ordained transitional deacons during their first year of ordained service, campus ministers, chaplains or other full-time parochial or non parochial positions within the Diocese of Alabama shall be set at $49,945. (For all full-time clergy living in a rectory, the new minimum salary level plus basic utilities shall be $38,458.

The original basis for these figures was the 8.1% actual recommended COLA for all full-time clergy in 2004, 2005 and 2006. 75% of the COLA increase is applied to the revised Compensation Minimum. The remaining 25% of the COLA increase relates to the experienced increase in Medical Care Premiums experienced in 2004, 2005 and 2006. For the period 2007 through 2010 inflation calculators on-line have been used to update the figures.

Average pension base for all full-time clergy (rectors and associates) serving in Alabama by category of parish size (Family, Pastoral, Program and Resource) are made available by the diocese for informational purposes only. These figures are inflation adjusted from the previous policy on Minimum Compensation. These figures reflect the situation as it is rather than as it should be. In other words, the figures below are not part of the formal policy or recommendation but are provided solely for information.

<table>
<thead>
<tr>
<th>Family Parish</th>
<th>Pastoral Parish</th>
<th>Small Program</th>
<th>Large Program</th>
<th>Resource</th>
<th>Associate-Parish</th>
<th>Associate-Resource</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rectors</td>
<td>Rectors</td>
<td>Parish-Rectors</td>
<td>Parish-Rectors</td>
<td>Parish-Rectors</td>
<td>Rectors</td>
<td>Rectors</td>
</tr>
<tr>
<td>WITHOUT RECTORY</td>
<td>$51,008</td>
<td>$54,230</td>
<td>$66,451</td>
<td>$81,315</td>
<td>$111,024</td>
<td>$49,225</td>
</tr>
<tr>
<td>WITH RECTORY</td>
<td>$39,275</td>
<td>$47,757</td>
<td>$51,168</td>
<td>$62,612</td>
<td>$85,489</td>
<td>$37,903</td>
</tr>
</tbody>
</table>